



# SEMINOLE COUNTY DOWNPAYMENT ASSISTANCE PROGRAM

## MANUAL OF PROCEDURES

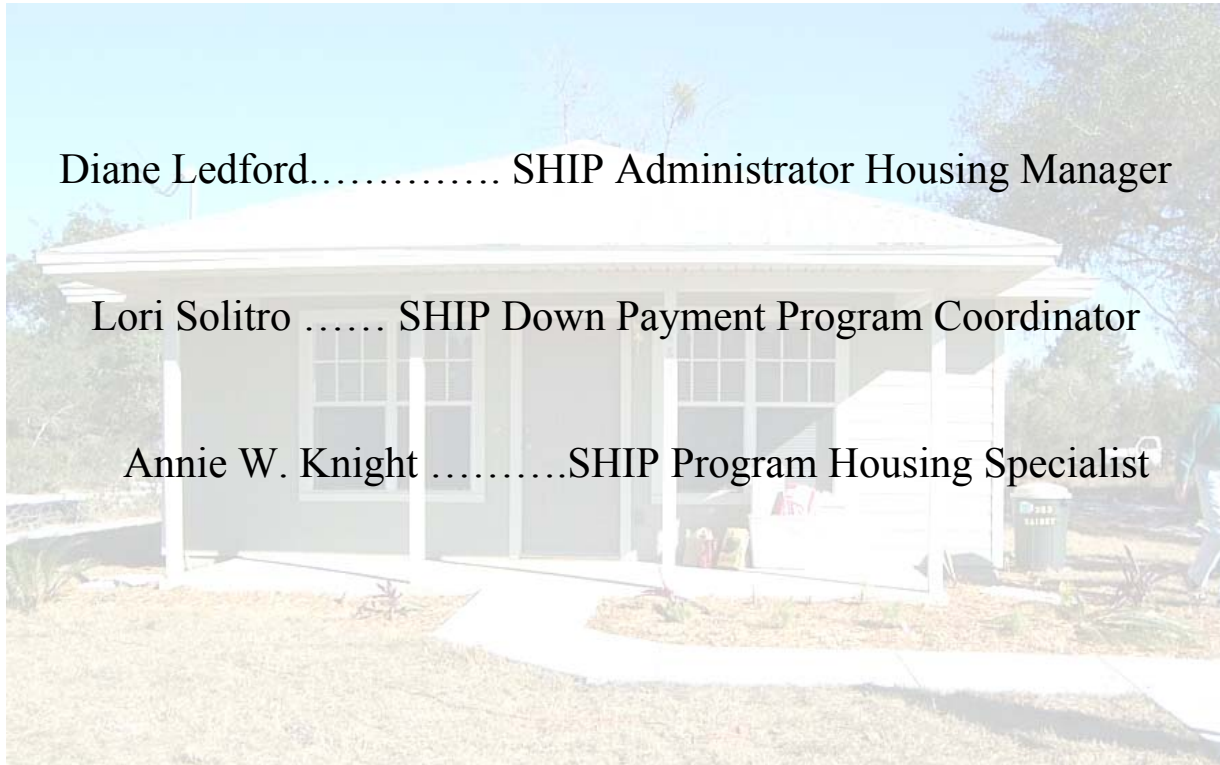


*October 13, 2003*

**“HELPING MAKE HOUSING AFFORDABLE!”**

# **Seminole County's Down Payment Assistance Program**

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Diane Ledford..... SHIP Administrator Housing Manager

Lori Solitro ..... SHIP Down Payment Program Coordinator

Annie W. Knight .....SHIP Program Housing Specialist

Planning & Development Department  
Community Development Office  
Housing Activity  
1101 East First Street  
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## Table of Contents

Important Contacts.....	4
Recent Changes, Modifications and Clarifications to the Program.....	5
Introduction.....	7
Eligibility .....	7
SHIP Mortgage .....	8
Minimum Contribution .....	8
Maximum Sales Price .....	8
Cash Back .....	9
Maximum Assistance.....	9
Revitalization Target Areas .....	9
Rural Areas .....	9
Forms .....	9
Directions on Processing Clients for an Existing Home or New Home Construction .....	10
Applicant Intake.....	11
Annual Income.....	12
Income Guidelines .....	13
Gap Financing.....	13
What is Income? .....	13
Income Inclusions and Exclusions.....	14
Income Verification .....	17
Self-Employed Clients.....	17
Assets .....	18
Assets Include: .....	18
Assets Do Not Include: .....	19
Verification Process.....	19
Subordination of SHIP Loan.....	20
Pay Off of SHIP Loan.....	20
Foreclosure of SHIP Loan .....	20
Reservation of Funds and Closing Instructions .....	21
Sample Closing Information Letter .....	22
Goldsboro Front Porch Target Area Map.....	23
SHIP Application Check List & Application.....	24

## Important Contacts

SHIP Administrator, Housing Manager Seminole County: **Diane Ledford**  
E-mail: [dledford@co.seminole.fl.us](mailto:dledford@co.seminole.fl.us)

**407-665-7420**

**407-665-7366, Fax**

**407-330-9599 TDD - Monday – Friday 8:00 A.M. to 5:00 P.M.**

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Questions about qualifying, closing procedures and general information about the program:  
SHIP Program Coordinator:

**Lori Solitro**

E-mail: [lsolitro@co.seminole.fl.us](mailto:lsolitro@co.seminole.fl.us)

**407-665-7370**

**407-665-7366, Fax**

**407-330-9599 TDD - Monday – Friday 8:00 A.M. to 5:00 P.M.**

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Questions about qualifying and general information about the program:

SHIP Program Housing Specialist:

**Annie W. Knight**

E-mail: [aknight@co.seminole.fl.us](mailto:aknight@co.seminole.fl.us)

**407-665-7364**

**407-665-7366, Fax**

**407-330-9599 TDD - Monday – Friday 8:00 A.M. to 5:00 P.M.**

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### **Consumer Credit Counseling of Central Florida**

(800) 720-9537, Extension 231 or Local Number 407-895-8886

### **Habitat For Humanity in Seminole County**

1548 Seminola Boulevard

Suite 141

Casselberry, Florida 32707

407-696-5855

407-696-5833, Fax

### **Florida Housing Finance Corporation**

1-888-447-2977 (Toll free) or 1-850-488-4197

[www.floridahousing.org](http://www.floridahousing.org)

### **USDA: Office for Low Interest Loans for New Construction in Rural Areas of Seminole County, De Land Office:**

386-734-6470, Phone

386-736-9339, Fax

352-338-3499, TDD

## Recent Changes, Modifications and Clarifications to the Program

**Child Support** must be reported for all children who are not living with both of their natural parents. For example an applicant who has custody of children must show they are collecting the amount of court ordered support reported in their divorce/separation agreement. If they are not collecting the amount they must show they have recently filed within 90 days at the Child Support Enforcement Office, State Florida Department of Revenue. Omission of this information will delay processing of the application and will cause denial if not provided.

### *New and Existing Construction:*

- ✓ On the Fannie Mae Verification of Employment form, line 17: "Projected amount of next pay increase", leave this line blank. SHIP does not require this additional amount added when you are computing the client's annual household income. This rule change applies to every wage earner in the client's household 18 years or older.
- ✓ Overtime; if overtime is received on a regular basis, include that amount in the income calculation.
- ✓ No adjustable-rate mortgages or balloon mortgages will be allowed in this program. **There will be no exceptions to this rule.**
- ✓ The SHIP approval letter will state the maximum amount for sales price and may not be exceeded.
- ✓ All new and existing construction closings are required to include an escrow account for taxes and insurance. **There will be no exceptions to this rule.**
- ✓ Seminole County designed this program to provide "gap" financing for eligible households. Assistance is based on **need**, and the gap is the difference between the applicants' mortgage and the cost of the home. Buyer's down payment and closing costs are eligible SHIP expenses.
- ✓ If the terms and/or conditions of the first mortgage change anytime prior to the actual closing, the Seminole County's Community Development Office is to be notified immediately for their approval of the change(s).
- ✓ Seminole County has a no "cash back" policy – the homebuyer may not receive cash back from a down payment loan- the HUD-1 must show no cash back to applicant.
- ✓ All existing construction clients must be pre-screened before a housing contract is signed. Failure to follow these guidelines will delay entry into the Down Payment Assistance Program.

- ✓ A home inspection is required on every home purchased including new construction. All noted repairs must be repaired, signed off by and accepted by inspector and buyer.
- ✓ Any client, who wants to purchase an existing home, must be told that legitimate tenants cannot be evicted without the owner providing relocation costs and any damages incurred by the tenant. This rule was put in place by HUD. All of our housing programs are tied to HUD rules and regulations. We will not approve any deals that involve evicting tenants without their permission and compensation. There are specific rules that have to be followed before a tenant can be removed from his/her domicile. Check with us before starting an eviction.
- ✓ New construction program applicants and builders are encouraged to check with Rural Development for additional assistance for clients in rural areas who have special needs or non-traditional income streams.
- ✓ All mortgages offered must be at a fixed rate and may not have terms exceeding 30 years, with the exception of Rural Development loan terms that may be up to 33 years.
- ✓ No pre-payment penalty
- ✓ No junk fees: FHA guidelines should be applied.
- ✓ Loan origination fees may not exceed 1%
- ✓ Broker fees may not exceed 1%



**COMMUNITY DEVELOPMENT DIVISION  
SEMINOLE COUNTY**

**DOWN PAYMENT ASSISTANCE PROGRAM  
FOR NEW AND EXISTING CONSTRUCTION  
FIRST TIME HOME BUYERS PROGRAM**

**Introduction**

The purpose of this document is to provide the County's affordable housing providers with a guide to the required documentation and procedures for applying for down payment assistance for affordable housing. This program is designed to provide funds (in the form of a loan) for down payment and closing costs related to the construction of a new home, or the purchase of an existing home. New housing is defined as having a certificate of occupancy that is less than one year old. Assistance is provided for new and existing construction throughout the County. The use of Bond Money and SHIP Funds for low and very low income is allowed for clients who purchase homes in all of Seminole County. The County encourages applicants to leverage as many sources of funds as available to make home purchases.

**Eligibility**

Households must meet the following definition of very low or low income to be eligible for assistance, and have not owned a home within the three years prior to application:

Very Low income "Person" or "Household" – means one or more natural persons or a family that has a total annual gross household income that does not exceed 50 percent of the median annual income, adjusted for family size, for households within the Orlando Metropolitan Statistical Area (MSA).

Low income "Person" or "Household" – means one or more natural persons or a family that has a total annual gross household income that does not exceed 80 percent of the median annual income, adjusted for family size, for households within the Orlando Metropolitan Statistical Area (MSA).

Applicants must not have defaulted on a mortgage in the past seven (7) years, unless the default was the result of a death in the immediate family, medical bills and/or divorce.

The home buyer may not have owned, or had an interest in a home within the last 3 years to qualify as a 1<sup>st</sup> time home buyer, unless the lost interest was the result of divorce.

Bankruptcy must be final for at least one year from date of final declaration.

## SHIP Mortgage

Repayment would be a low interest loan or a deferred payment loan with a term of up to 30 years at an interest rate of 2% or less, based on the client's repayment ability. Loans will be secured by a promissory note with a security instrument of proper form, usually a mortgage. The funds will be repaid to the local housing trust fund set up to take deposit of these funds, so that a permanent and perpetual building fund will be established. All homes would be solely for the persons or families that are included in the category of the very low or low income, as per section 420, Florida Statutes and Chapter 67-37, Florida Administrative Code. In the case of death of the owner or demise of the family, the heirs or new owner may assume the unpaid balance and continue with the terms in the original loan if he/she is income qualified. If the heir or new owner is not income qualified, the remaining balance that is due on the loan becomes due and payable to the Seminole County SHIP Housing Trust Fund.

## Minimum Contribution

Applicant will need funds for a good faith deposit, an appraisal, and an inspection. Applicant may need additional funds for closing cost deficiency. SHIP does not require a minimum.

## Maximum Sales Price

**The purchase price (including lot) cannot exceed:**

Low Income	Maximum Sales Price
New Construction	\$110,000
Existing Construction	\$106,899

Very low Income	Maximum Sales Price
New or Existing Construction	\$85,000

Lot value is based on appraised value, unless the lot has been purchased within three years.

**NOTE:** Appraised value of home to be purchased cannot be less than sales price.



## Cash Back

Seminole County has a **no cash back** policy. There may be no cash back to the homebuyer on the HUD-I. There will be no exceptions!

## Maximum Assistance

**Low income may apply for up to \$10,000 in SHIP Funds**

**Very-low income may apply for up to \$25,000 in SHIP Funds**

The County encourages applicants to leverage as many sources of funds as available to make home purchases.

## Revitalization Target Area

These areas are identified as having high concentrations of substandard housing units, blight, and low and very low income persons, or areas designated by Cities as Community Development Revitalization Areas in accordance with Florida Statutes. (See page 23 - Goldsboro Front Porch Community)

## Rural Areas

The areas are identified as being designated by Rural Development (RD) and SHIP funds may be used to leverage their programs. These areas are also eligible for new construction and up to 100% guaranteed financing through RD for families, who are low income and subsidized financing for families who are very low income.

## Forms

The sample forms provided in this document contain the information required for reporting to the various government agencies.

## Directions on Processing Clients for an Existing Home or New Home Construction

The Seminole County Community Development Office has the responsibility for determining eligibility of applicant in accordance with program guidelines. All applications must be original and complete, signed by the applicant and signed by Seminole County. Only complete original applications should be forwarded to Seminole County.

### 1. *Seminole County Community Development Office:*

- a. Collect completed application from applicant;
- b. Verify applicant's employment;
- c. Provide one-on-one counseling to applicant;
- d. Send approval letter with maximum sales price to applicant;
- e. Determine if unit/home is affordable and meets all program guidelines;
- f. Provide for Home Ownership Classes;
- g. Review the file and the home inspection;
- h. Request Disbursement;
- i. Issues check to the title company.
- j. Inform other agencies involved in the home buying process (mortgage company, title company, etc.) as to what the required SHIP procedures are, especially as to closing requirements;
- k. A Certificate of Commitment must be awarded before requesting funds for a closing; and
- l. Keep the mortgage company and title company informed of program guidelines. (Give them a copy of this booklet.)

### 2. *The Lender will provide:*

- a. Closing Information Letter: "First Payment" information on letter head with the Closing Agent Name, address, telephone number and fax number – Original, faxed copy will not be accepted.
- b. Copy of Note and Mortgage (must indicate interest rate)
- c. Signed Contract
- d. Copy of Appraisal
- e. Home Inspection Report
- f. Final Home Inspection – Approval that states repairs have been completed.
- g. A Final HUD-1 Settlement Statement (unsigned for review **No Cash to Borrower**)
- h. Copy of title commitment for Seminole County Government with legal description.

### 3. *Title Company will:*

- a. Compile all closing documents. Pick up check to close from Seminole County;
- b. Close loan;
- c. Prepare the note mortgage documents and record after closing;
- d. Fax signed original note, mortgage and HUD-1 the day of closing to Seminole County SHIP office; and
- e. Forward copy of recorded documents to Seminole County within 30 days of closing, along with an original signed HUD-1 Closing Statement.

Note: Title companies that meet the guidelines will be awarded an outstanding performance certificate from the Seminole County SHIP Program.

## Applicant Intake

With the advent of down payment assistance programs, many applicants are being referred to local housing programs via realtors and lenders. Regardless of the initial point of contact, it is the responsibility of the screener to insure that applicant eligibility is correctly determined. Eligibility refers to family income being within the prescribed program limits, and it can refer to whether the property being purchased, rented, or rehabilitated meets all program requirements.

An informed applicant will help minimize future misunderstandings. To this end, applicants should be informed early in the process of the program's income limits, benefits, stipulations for assistance, repayment terms (if applicable), and the anticipated amount of time from application to assistance. This information can be effectively conveyed via fact sheet or program brochure.

The application for SHIP assistance should contain all the necessary information to determine whether an applicant is eligible for assistance. Seminole County, now has an official SHIP Application. Please refer to the copy attached; only original signed SHIP applications will be accepted – emailed and faxed applications will be denied.

When scheduling the eligibility interview, inform the applicant of the necessary documents to bring to the interview. See page one of SHIP Application Checklist. It is always preferable to complete the application for assistance in a scheduled, face-to-face interview where the applicant can be prompted to provide accurate and comprehensive income and household information. It is common for applicants to misunderstand what items to count toward annual income. The screener should review the application carefully to ensure that the applicant has provided all sources of income, including total household assets and asset income. A comprehensive discussion of the definition of annual income, exclusions and inclusions, is detailed on the following pages.

## Annual Income

Upon completing the application, the screening coordinator should do a quick calculation of the applicant's total annual income and compare to the applicable income limits for jurisdiction and household size. If the applicant's total annual income is well above the income limits, the verification process may be unnecessary. At that time, inform the applicant that it appears the household is ineligible for assistance.

Annual income includes income from members currently intending to reside in the household. The definition for annual income (defined under HUD 24 CFR Section 5.609), means all amounts, monetary or not, which:

- Are received by or paid on behalf of the family head or spouse, even if temporarily absent from the unit, or to any other family member; and / or
- Are received from verified sources of income for the family during the 12-month period following admission or annual reexamination effective date; and
- Are not specifically excluded (refer to annual Income Inclusions and Exclusions).

To **annualize full-time employment**, multiply the type of the wage by the following periodic amounts:

- Hourly wages by 2,080 hours;
- Weekly wages by 52;
- Bi-weekly (every two weeks) amounts by 26;
- Semimonthly (every half month) amounts by 24; or,
- Monthly amounts by 12.

To annualize income from anything **other than full-time employment**, multiply:

- Hourly wages times the number of hours the household expects to work annually; or,
- Average weekly wages times the number of weeks the household expects to work; or,
- Other periodic amounts (monthly, bi-weekly, etc.) by the number of periods a household member expects to work.

Annual wages should always reflect the entire 12-month period, regardless of the pay schedule. For example: a teacher is paid \$25,000 per year. Use the \$25,000 figure whether the payment is made in 12 monthly installments, 9 installments, or some other payment schedule. Always use current circumstances to project income.

A determination of verified annual income must include all income (see table on following pages) by all adult members of the household in the 12 months following certification. All income verification forms must be completed **no more than** 90 days prior to issuing the Letter of Commitment. If income verification is dated over 90 days prior to the issuing of the Letter of Commitment, the income **must** be re-verified before the Letter of Commitment will be issued. (If the applicant's income has increased or decreased, program eligibility may change.) The applicant may advise you of a change in annual income; if the applicant does, you must recertify his/her eligibility.

## Income Guidelines

The following income limits by family size apply. This form is updated annually, please be sure that you are using the most recently updated form.

SEMINOLE COUNTY February 20,2003 Median Family Income: \$52,700		
INCOME LIMITS ADJUSTED FOR FAMILY SIZE		
Annual HOUSEHOLD SIZE	Very Low Income	Low Income
	50% of Median	80% of Median
1	\$19,150	\$30,650
2	\$21,900	\$35,000
3	\$24,600	\$39,400
4	\$27,350	\$43,750
5	\$29,550	\$47,250
6	\$31,750	\$50,750
7	\$33,900	\$54,250
8	\$36,100	\$57,750

Source: [ww.huduser.org/datasets/il.html](http://ww.huduser.org/datasets/il.html),  
Data from HUD website 2/21/03

## Gap Financing

Seminole County designed this program to provide “gap” financing for eligible households. Assistance is based on **need**, and the gap is the difference between the applicant’s mortgage, and the cost, minus the required down payment of the home. (Closing costs are also eligible for reimbursement, up to program limits.) **All applicants must obtain the maximum first mortgage.**

## What is Income?

The following pages detail what should be included in the income calculations and what can be excluded.

# Income Inclusions and Exclusions

## Income Inclusions

- All wages and salaries, commissions, fees, tips and bonuses, overtime and other compensation for personal services (before any payroll deductions of the head of the household, spouse or co-head and other adult members of the household, 18 years or older);
- The first \$480 in earnings of a full-time student over the age of 18 who is not the head, co-head, or spouse. **Note:** All of the full-time student's asset income is counted;
- Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness cannot be used as deductions in determining net income; however, an allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of business or profession is included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family, derived from Net Family Assets or a percentage of the value of such Assets based on the current passbook savings rate, as determined by HUD;
- Payments in lieu of earnings, such as unemployment, worker's compensation and severance pay (see paragraph under Income Exclusions);
- All regular pay, special pay, and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is head of the family, spouse, or other person whose dependents are residing in the unit (see paragraph under Income Exclusions);
- Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness cannot be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in this section. Any withdrawal of cash or assets from an investment will be included in income, except to extend the withdrawal is reimbursement of cash or assets invested by the Family. Where the Family has Net Family Assets in excess of \$5,000, annual income includes the greater of the actual income;
- All gross periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum payment for delayed start of a periodic payment (except Social Security);
- Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling. Alimony and child support amounts awarded as part of a divorce or separation agreement are included as income unless the applicant (1) certifies that the income is not being provided, and (2) takes all reasonable legal actions to collect amounts due. For example: filing with the Child Support Enforcement Office, State of Florida, Department of Revenue;
- Welfare or other need-based payments to families or individuals that are made under programs funded separately, or jointly by federal, state or local governments; and
- All regular pay, special pay and allowances of a member of the Armed Forces.

## Income Exclusions

- Income from employment of children (including foster children) under the age of 18 years;
- Payments received for the care of foster children;
- Lump-sum additions to Family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (see paragraph in this section);
- Income of a live-in aide;
- The special pay to a Family member serving in the Armed Forces who is exposed to hostile fire;
- Amounts received under training programs funded by HUD;
  - Amounts received by a Disabled person that are disregarded for a limited time for purposes of Supplemental Security income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS); or
  - The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission, or the Court of Claims (25 U.S.C. 1407-1408), or from funds held in trust for an Indian tribe by the Secretary of Interior (24 U.S.C. 117);
  - Amounts of student financial assistance funded under Title IV of the Higher Education Act of 1965, including awards under the Federal work-study program or under the Bureau of Indian Affairs student-assistance programs (20 U.S.C. 1087uu);
- Temporary, nonrecurring, or sporadic income (including gifts);
- Reparation payments from foreign governments in connection with the Holocaust;
- Lump sum payments of SSI and Social Security benefits; or
- Accounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the 1937 Act, including:
  - The value of the allotment provided to an eligible household under the Food Stamp Act of 1977;
  - Payments to volunteers under the Domestic Volunteer Service Act of 1973 (employment through VISTA; Retired Senior Volunteer Program, Foster Grandparents Program, youthful offenders incarceration alternatives, and senior companions);
  - Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and that are made solely to allow participation in a specific program;
- Amounts received by the Family that are specifically for, or in reimbursement of, the cost of Medical Expenses for any Family member;
  - Income derived from certain sub marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 259e);
  - Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy



- Assistance Program (42 U.S.C. 8634 (f));
  - Payments received under programs funded in whole or in part under the Job Training Partnership Act;
  - Income derived from the disposition of funds of the Grand River Band of Ottawa Indians;
- Examples include Pell Grants, supplemental opportunity grants, state student incentive grants, college work-study and Byrd Scholarships:
  - Payments received from programs funded under Title V of the Older Americans Act of 1965 (42 U.S.C. 3056(f));
  - Any earned income tax credit;
  - Payments received after January 1, 1989, from the Agent Orange Settlement Fund or any other funds established pursuant to the settlement in the In Re Agent Orange product liability litigation, MDL No. 281 (E.D.N.Y.);
  - The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q);
- Payments received under the Maine Indian Claims Settlement Act of 1980;
- Payments received under the Alaska native Claims Settlement Act (43 U.S.C. 1926 (a));
- Income from earnings in excess of \$480 for each full-time student 18 years or older (excluding the head of household and spouse);
- Adoption assistance payments in excess of the \$480 per adopted child;
- Refunds or rebates for property taxes paid on the dwelling unit; or
- Services and equipment needed to keep a developmentally disabled family member at home.

## Income Verification

The release form should state that the applicant permits the provision of any documentation from income sources for the purposes of determining or auditing the household's eligibility for housing assistance. This includes information such as earned, unearned, and asset income; employment history; hours worked; frequency of pay; type of payment; commissions; bonuses; interest, etc.; on all members currently or intending to reside in the household. Only request information that is necessary to determine the household's eligibility for program assistance.

The acceptable method of verifying income is a written third-party verification. Written third party verification ultimately involves an income verification form mailed or faxed to the employer or other income source, from the screener or a letter provided on the employer's letterhead, which specifies the amount of income the applicant (or other household members) receives.

Upon receiving the income verifications, date stamp each one and compare information on the verifications with information on the application and make any necessary notations to enable accurate determination of income eligibility. Request an explanation from the applicant if there are significant differences between the amounts reported on the application and the verification form. The application should be documented to explain the differences and then placed with the written verifications and back up documentation in the applicant's file. Any documentation clarifying discrepancies should be dated and initialed by the Housing Coordinator documenting the file. Ask the frequency of receipt of income monthly, bi-weekly or bi-monthly.

## Self-Employed Clients

In cases where an applicant is self-employed, the net income anticipated to be derived by the applicant is considered annual income and first-hand documentation is necessary. When first-hand documentation is used, review the applicant's previous years' income tax return and compare it to present annual income for consistency. The verifier must obtain **one** of the following:

- Signed copies of prior years' tax returns along with a statement or affidavit of anticipated net income; or
- Statement of net income from a bookkeeper or accountant; or
- Audited or non-audited financial statement of business, along with a statement of business, along with a statement or affidavit from the applicants giving anticipated net income for the 12 months following certification.

Upon receipt of documents, calculate annual income.

## Assets

Assets are items of value, other than necessary personal items, and are considered along with verified income in determining the eligibility of a household. Total household assets and asset income are considered, including those of minors. In determining asset income for owner-income households the following applies. If the asset value is \$5,000 or less, add the amount of the actual income derived to the total verified income. When assets exceed \$5,000, add the **greater** of 1) the actual annual income to be derived from these assets, or 2) the imputed income using 2% interest rate (specified by HUD) to the total verified income. The combined total income cannot exceed the applicable lower-income limits. When computing the value of assets, use the cash value of assets, the amount the applicant(s) would receive if the assets were converted to cash.

There are no limits on assets for participation in this program; however, while applicants may have assets, even if they elect not to access the assets' principal or interest, the potential annual income that can be earned from assets is taken into consideration when calculating annual income. Asset income is also annualized based on what is anticipated to be received during the 12 months following eligibility or re-certification.

Income from assets is recognized as part of annual income for the SHIP program. In general terms, an asset is a cash or non-cash item that can be converted to cash. It is the income earned – e.g., interest on a savings account – not the asset value, that is counted in annual income and is counted even if the household elects not to receive it; for example, reinvested interest or dividends from an asset. There is no asset limitation for eligible households in this program.

## Assets Include:

1. Cash held in savings and checking accounts: current monthly statement, safety deposit boxes, homes, etc.
2. Stocks, Bonds, Treasury Bills, Certificates of Deposit, Money Market Funds and other investment accounts.
3. Equity in real property or other capital investments. Include current market value less any unpaid balance on any loans secured by the property and any reasonable costs that would be incurred in selling the asset, such as prepayment penalties or broker fees.
4. The value of land, in excess of land allowable for housing production is an asset. (SHIP program only.)
5. Cash value of trusts that are available to the household.
6. Individual Retirement Accounts (IRAs) and Keogh Accounts.
7. Retirement and Pension Funds:
  - (a) While the person is employed, include only amounts the family can withdraw without retiring or terminating employment; and
  - (b) At retirement or termination of employment, if benefits will be received in a lump sum, include the benefits in Net Family Assets. If benefits are paid in periodic payments, include the benefits in annual income.

8. Lump sum receipts should include inheritances, capital gains, one-time lottery winnings, settlements on insurance, and other claims.
9. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, paintings, etc.
10. Assets owned by more than one person should be prorated according to the percentage of ownership.
11. A mortgage or deed of trust held by an applicant. Payments on this type of asset are often received as one combined payment of principle and interest with the interest portion counted as income from the asset. This combined figure needs to be separated into specific principal and interest portions of the payment. This can be determined by referring to an amortization schedule that relates to the specific term and interest rate of the mortgage.

### **Assets Do Not Include:**

1. Necessary personal property (e.g., clothing, furniture, automobiles, etc.).
2. Vehicles specially equipped for the handicapped.
3. Interest in Indian Trust Land.
4. Life insurance policies.
5. Equity in the cooperative unit in which the family lives.
6. Assets that are part of an active business or farming operation. (Note: Rental properties are considered personal assets, unless real estate is the applicant's main occupation.)
7. Assets held in applicant's name but which are actually owned by someone else.
8. Assets that are not accessible to the applicant and provide no income to the applicant.

### **Verification Process**

Local governments must retain documentation of all information collected to determine a household's income for all federal and state programs. Third Party Verification is the required method of documentation for the County's programs. Under this form of verification, a third party (e.g., employer, Social Security Administration, or public assistance agency) is contacted to provide information. To conduct third-party verification, the provider must obtain a written release from the household that authorizes the third party to release required information. Copies of documents used to determine income/assets should be retained in the applicant's file. If the applicant is receiving Social Security payments, he/she should provide a copy of their annual **"Verification of Benefits"** letter. A 1099 statement ***will not*** be accepted, because it is always for the last year benefits were paid.

## **Subordination of SHIP Loan**

**Seminole County will not subordinate its mortgages.**

SHIP assisted homeowner must pay off their mortgage SHIP mortgage.

Please refer to the Pay Off process.

## **Pay Off of SHIP Loan**

The SHIP Homeowner must sign a release of information waiver to allow the SHIP Provider to give the payoff information to the mortgage/title company who is paying off the loan. The mortgage/title company will also provide a legible copy of the SHIP recorded note and mortgage along with the request and necessary release of information to the SHIP Office when requesting a payoff of loan. The SHIP Program will provide in writing by fax to the requesting mortgage/title company the pay off amount. The payoff will state the number of days it's good for and where to send the check. The mortgage company/title company who is requesting a payoff of a SHIP Loan will send a copy of the payoff fax and the pay off check in the correct amount to the Seminole County Community Development Office. The Seminole County Community Development Office will receive the check at the intake counter for processing. The County will provide and record a satisfaction of mortgage and mail the same to the former SHIP Mortgagor.

## **Foreclosure of SHIP Loan**

The County will be notified in writing of intent to foreclose by Mortgage Holder. The County requests that all mortgage lenders advise the County when a SHIP Homeowner is 30 and 60 days past due. When notified of the past due status, the County will request the SHIP Homeowner to attend a pre-foreclosure counseling session. This step will be of great advantage to the SHIP Homeowner in advising of remedies that may be available to stop the foreclosure process. The County shall have all rights afforded to mortgage holders, depending on the County's mortgage position. In the event of a foreclosure, the first mortgage holder will notify the County of the minimum sale price and the date of pending sale. If the County is the first mortgage holder, the County may offer a deed in lieu of foreclosure to the SHIP Homeowner or refer to Consumer Credit Counseling to help work out a payment plan to help the homeowner retain their home. The County shall have the right to purchase the property and add it to its first time home buyer program or rental/rehab program. The County will adjust its records to note that the home has been foreclosed and send a follow up letter to the former SHIP homeowner.

## **RESERVATION OF FUNDS & CLOSING INSTRUCTIONS**

**Date:** \_\_\_\_\_ **FAX:** \_\_\_\_\_  
**To:** \_\_\_\_\_  
**From:** \_\_\_\_\_, SHIP Homeownership Program  
**Borrower:** \_\_\_\_\_  
**Property:** \_\_\_\_\_  
(Address of Property, State, Zip Code)

It has been determined that the above referenced borrower is eligible for \$ \_\_\_\_\_ of SHIP funds on the purchase of a home not to exceed \$ \_\_\_\_\_. The funds are reserved for the closing costs and/or down payment assistance, from the SHIP Down payment Assistance Program as allocated by the Seminole County Community Development Office.

The Community Development Office must receive a "Closing Information Letter" for approval at least two weeks prior to closing in order for the down payment check to be issued NO EXCEPTIONS (sample letter attached).

### **The SHIP funds are contingent upon receiving the following, prior to closing:**

1. Closing Information Letter: "First Payment" information on letter head with the Closing Agent Name, address, telephone number and fax number – Original, faxed copy will not be accepted.
2. Copy of Note and Mortgage (must indicate interest rate)
3. Signed Contract
4. Copy of Appraisal
5. Home Inspection Report
6. Final Home Inspection – Approval that states repairs have been completed.
7. A Final HUD-1 Settlement Statement (unsigned for review **No Cash to Borrower**)
8. Copy of title commitment for Seminole County Government with legal description.

### **Additional Closing Instructions:**

1. No pre-payment penalty
2. FHA guidelines (no junk fees)
3. Origination fees no more than 1%; Broker fees no more than 1%
4. The closing agent will pick up the SHIP mortgage and deed, and assistance check from the Seminole County Community Development Office. 1101 E 1<sup>st</sup> Street, Room 3301, Sanford, FL 32771.
5. The SHIP mortgage note and deed will be executed at closing.
6. The closing agent shall fax a copy of the Signed HUD -1 and SHIP Note and mortgage at closing to SHIP Office 407-665-7366 attention \_\_\_\_\_
7. After the documents are recorded, return the signed original mortgage, deed and HUD 1 within 30 days to the Seminole County Community Development Office, SHIP Homeownership Program, located at 1101 East 1<sup>st</sup> Street, Room - 3301, Sanford, FL 32771.

(On Company Letter Head)

## Closing Information Letter

Date

SHIP Homeownership Program  
Seminole County Government  
Community Development Office  
1101 E First Street, Room - 3301  
Sanford, FL 32771

Re: Client Name & Address

This loan is scheduled to close (closing date) at (Title Company Name and address). Your contact person is (Closing agent name and phone number and fax).

The information regarding this loan is as follows:

Property:

Sales Price:

Loan Amount:

Interest Rate:

Type:

P&I:

Escrows:

Total Payments:

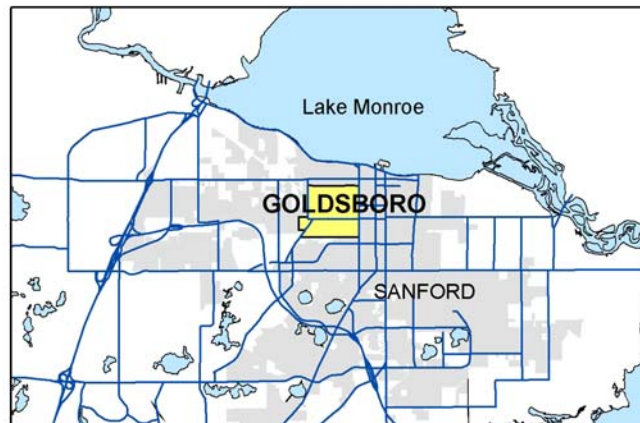
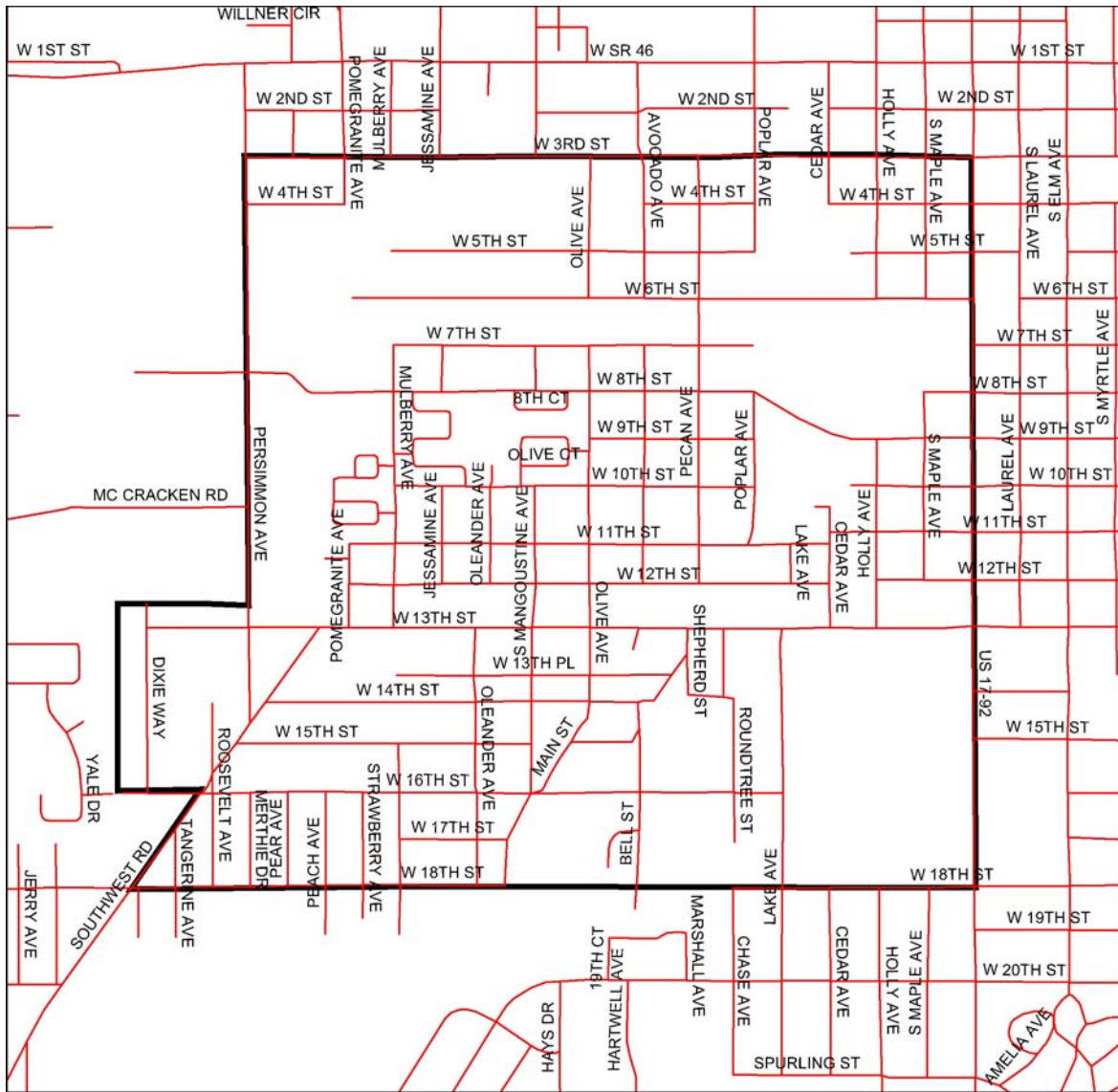
If additional information is needed, please contact me at \_\_ ( your Phone Number) \_\_.

Sincerely,

(Lender Name)



# Goldsboro Front Porch Target Area Map





## SHIP DOWNPAYMENT/FIRST TIME HOMEBUYER APPLICATION CHECKLIST

**Applicant's Name** \_\_\_\_\_

- ☐ Application is signed by applicant and co-applicant (page 4). If not signed, return application.
- ☐ Copies of applicant's photo ID and Social Security cards for all household members.
- ☐ Copies of verification of all income, for all members of the household for **2003**.
- ☐ Letter from employer stating gross wages, average hours of work and average over time hours.
- ☐ Proof of court ordered child support/ or non-support statement.
- ☐ Budget form is completed and signed (page 5).
- ☐ Income Verification Form signed by all household members 18 years of age or older (page 6).
- ☐ Asset forms are signed by all household members 18 years of age or older (page 7 and 8).
- ☐ Copy of the 3 most recent bank statements for all household members 18 years of age or older.
- ☐ Copy of proof of all assets.
- ☐ A letter explaining any special circumstances regarding credit or income.
- ☐ Pre-qualification letter from Bank or Lender.
- ☐ Letter stating that you have not chosen a home at this time, if you have not chosen a home. **OR**
- ☐ Signed sales contract that states sales price. **OR**
- ☐ New home construction contract with price of home and property valuation for 2003-2004. **AND**
- ☐ Directions to house or lot for new construction.

This program is open to all without regard to race, color, sex, handicap, religion, familial or marital status, or national origin. The Seminole County SHIP Program is a first come, first completed basis. Those who supply the Program with all the information needed to process their application while funds are available will be processed first.

Your "APPLICATION" will be denied if you do not provide the requested information. Your "APPLICATION" will be denied if the information is received after all funds have been obligated. Mobile Homes and Rental Properties are not eligible. If you have any questions or need assistance please call the below listed number.

\*Note there are limited funds and restrictions apply.

**[www.co.seminole.fl.us](http://www.co.seminole.fl.us)**

**Seminole County Community Development Office, 1101 East First Street, Sanford, Florida 32771**

**Phone: (407) 665-7384      Fax: (407) 665-7366**

## SHIP Application Form

Checked in by: Date:
-------------------------

Program you are applying for: (check all that apply)

- ☐ Down Payment Assistance First Time Homebuyer Existing Home  
☐ Down Payment Assistance First Time Homebuyer New Home Construction

Do you live in unincorporated Seminole County? ☐ Yes ☐ No If No, what city do you live in? \_\_\_\_\_

How did you hear about the program? \_\_\_\_\_

Total number of household members: \_\_\_\_\_ Total household monthly gross income: \$ \_\_\_\_\_

Special Needs (check all that apply): ☐ Disabled ☐ Handicapped ☐ Elderly

**Applicant's**

**Legal Name:** \_\_\_\_\_ **Date of Birth:** \_\_\_\_\_ **Age:** \_\_\_\_\_

☐ Married ☐ Separated ☐ Unmarried (includes single, divorced, widowed) \_\_\_\_\_

**INCOME:** (Check all types of income that you receive.) ☐ Wages ☐ Social Security/SSI ☐ AFDC  
☐ Child Support ☐ Self employed income ☐ Other \_\_\_\_\_

Gross Monthly Income: \$ \_\_\_\_\_

**ADDRESS INFORMATION:**

Current Address: \_\_\_\_\_

Mailing Address (if different than above): \_\_\_\_\_

Home Phone #: \_\_\_\_\_ Message Phone #: \_\_\_\_\_

**EMPLOYMENT INFORMATION:**

Employed by: \_\_\_\_\_ Employer Phone #: \_\_\_\_\_

Position/Title: \_\_\_\_\_

Employer's Address: \_\_\_\_\_ Date Employed: \_\_\_\_\_

Supervisor's Name: \_\_\_\_\_ Title: \_\_\_\_\_

**ASSET INFORMATION:**

Checking Account Balance: \$ \_\_\_\_\_ Savings Account Balance: \$ \_\_\_\_\_

All other assets: \_\_\_\_\_

**Co-Applicant's****Legal Name:** \_\_\_\_\_ **Date of Birth:** \_\_\_\_\_ **Age:** \_\_\_\_\_☐ Married    ☐ Separated    ☐ Unmarried (includes single, divorced, widowed) \_\_\_\_\_**INCOME:** (Check all types of income that you receive.)    ☐ Wages    ☐ Social Security/SSI    ☐ AFDC  
☐ Child Support    ☐ Self employed income    ☐ Other \_\_\_\_\_

Gross Monthly Income: \$ \_\_\_\_\_

**EMPLOYMENT INFORMATION:**

Employed by: \_\_\_\_\_ Employer Phone #: \_\_\_\_\_

Position Title: \_\_\_\_\_

Employer's Address: \_\_\_\_\_ Date Employed: \_\_\_\_\_

Supervisor's Name: \_\_\_\_\_ Title: \_\_\_\_\_

**ASSET INFORMATION:**

Checking Account Balance: \$ \_\_\_\_\_ Savings Account Balance: \$ \_\_\_\_\_

All other assets: \_\_\_\_\_

**OTHER MEMBERS OF HOUSEHOLD:** List names, ages and monthly income of all other household members. If additional space is needed, list on a separate sheet.

Legal Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_ Age: \_\_\_\_\_

Relationship to applicant: \_\_\_\_\_ Gross income: \$ \_\_\_\_\_

Legal Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_ Age: \_\_\_\_\_

Relationship to applicant: \_\_\_\_\_ Gross income: \$ \_\_\_\_\_

Legal Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_ Age: \_\_\_\_\_

Relationship to applicant: \_\_\_\_\_ Gross income: \$ \_\_\_\_\_

Legal Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_ Age: \_\_\_\_\_

Relationship to applicant: \_\_\_\_\_ Gross income: \$ \_\_\_\_\_

Legal Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_ Age: \_\_\_\_\_

Relationship to applicant: \_\_\_\_\_ Gross income: \$ \_\_\_\_\_

Legal Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_ Age: \_\_\_\_\_

Relationship to applicant: \_\_\_\_\_ Gross income: \$ \_\_\_\_\_

Legal Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_ Age: \_\_\_\_\_

Relationship to applicant: \_\_\_\_\_ Gross income: \$ \_\_\_\_\_

Have you or your co-applicant (check all that apply):

- |   |   |
|---|---|
| <input type="checkbox"/> Had an outstanding judgment in the last 7 years? | <input type="checkbox"/> Had an auto/truck repossessed?             |
| <input type="checkbox"/> Declared bankruptcy in the last 10 years?        | <input type="checkbox"/> Had property foreclosed?                   |
| <input type="checkbox"/> Owned a site built home in the past 3 years?     | <input type="checkbox"/> Received assistance from the SHIP program? |

Mobile Homes and Rental Properties are not eligible. This program is open to all without regard to race, color, sex, handicap, religion, familial or marital status, or national origin.

The SHIP Program is a first come, first completed basis. Those who supply the Program with all the information needed to process their application while funds are available will be processed first.

**\*Note: there are limited funds and restrictions on sales price, value of home and type of home repairs.**

I / We understand that Florida Statute 817 provides that willful false statements or misrepresentation concerning income, asset or liability information relating to financial condition is a misdemeanor of the first degree, punishable by fines and imprisonment provided under Statutes 775.082 or 775.83. I / We further understand that any willful misstatement of information will be grounds for disqualification. I / We certify that the application information provided is true and complete to the best of my / our knowledge. I / We consent to the disclosure of information for the purpose of income verification related to making a determination of my / our eligibility for program assistance. I / We agree to provide any documentation needed to assist in determining eligibility and are aware that all information and documents provided are a matter of public record.

APPLICANT SIGNATURE \_\_\_\_\_ DATE: \_\_\_\_\_

CO-APPLICANT SIGNATURE \_\_\_\_\_ DATE: \_\_\_\_\_

## **FAMILY BUDGET**

Please declare and reveal all household income and expenses. I am aware that knowingly falsifying information on this form is grounds for denial for SHIP assistance.

<u><b>Gross Monthly Income</b></u>	<u>(IN) +</u>	<u><b>Monthly Expenses</b></u>	<u>(OUT) -</u>
Applicant All Jobs	_____	Utilities/Electric/Water	_____
Co-Applicant	_____	Housing Payment	_____
Child Support	_____	Auto/Truck Loan	_____
AFDC	_____	Auto Expense/gas/oil	_____
Alimony	_____	Auto Insurance	_____
Reoccurring Gifts	_____	Food	_____
Rental Income	_____	Medical/Insurance	_____
Social Security/SSI	_____	Clothing	_____
Disability/Pension	_____	Credit Cards/Loans	_____
Scholarship/Grant	_____	Cable TV	_____
Self-Employment	_____	Phone	_____
Other	_____	Childcare/School Expense	_____
Other	_____	Other	_____
Total Monthly Income +	=====	Total Monthly Expenses -	=====

**Total Net Monthly Income: \$** \_\_\_\_\_

**WARNING:** Florida Statute 817 provides that willful false statements or misrepresentation concerning income and assets or liabilities relating to financial condition is a misdemeanor of the first degree and is punishable by fines and imprisonment provided under S 775.082 or 775.83.

SIGNATURES:

**Applicant** \_\_\_\_\_ **Date:** \_\_\_\_\_

**CO-Applicant** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Other Adult Household Member** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Other Adult Household Member** \_\_\_\_\_ **Date:** \_\_\_\_\_

## **APPLICANT/TENANT RELEASE OF INFORMATION FORM**

I/We \_\_\_\_\_ the undersigned hereby authorize \_\_\_\_\_ to release without liability, information regarding my/our employment, income, and/or assets to the Seminole County SHIP Program for purposes of verifying information provided as part of the owners assistance under the S.H.I.P. Program.

### **INFORMATION COVERED**

I/We understand that previous or current information regarding me/us may be needed. Verifications and inquiries that may be requested include, but are not limited to, personal identity, employment, income, assets, medical or childcare allowances. I/We understand that this authorization cannot be used to obtain any information about me/us that is not pertinent to my eligibility for the SHIP program.

### **GROUPS OR INDIVIDUALS THAT MAY BE ASKED**

The groups or individuals that may be asked to release the above information include, but are not limited to:

Past and Present Employers  
Previous Landlords (*including Public Housing Agencies*)  
Support and Alimony Providers

Welfare Agencies  
State Unemployment Agencies  
Social Security Administration

Veterans Administration  
Retirement Systems  
Banks and other Financial Institutions

### **CONDITIONS**

I/We agree that a photocopy of this authorization may be used for the purposes stated above. The original of this authorization is on file and will stay in effect for a year and one month from the date signed. I/We understand I/we have a right to review this file and correct any information that I/we can prove is incorrect.

### **SIGNATURES**

Applicant	(Print Name)	Date
Co-Applicant	(Print Name)	Date
Adult Member	(Print Name)	Date
Adult Member	(Print Name)	Date

**NOTE: THIS GENERAL CONSENT MAY NOT BE USED TO REQUEST A COPY OF A TAX RETURN. IF A COPY OF A TAX RETURN IS NEEDED, IRS FORM 4506, "REQUEST FOR COPY OF TAX FORM" MUST BE PREPARED AND SIGNED SEPARATELY.**



## **ASSET ADDENDUM TO APPLICATION-SHIP PROGRAM ONLY**

In order to properly qualify an applicant for SHIP Assistance, the following asset information for all occupants including minors must be obtained. This information will be used for qualification purposes only.

### **Assets Include:**

Cash held in savings and/or checking accounts, trust funds, equity in real estate and other capital investments, stocks, bonds, Treasury bills, certificates of deposit, money market funds, IRA accounts, retirement and pension funds, lump sum receipts (i.e., lottery winnings, insurance settlements, etc.), and personal property held as an investment (i.e., gem or coin collections, paintings, antique cars, etc.).

**(Do not include necessary personal property such as furniture, automobiles, and clothing.)**

- A. I (we) hereby state that the combined value of my (our) assets \_\_\_\_ does/\_\_\_\_ does not exceed \$5,000.**

**TOTAL VALUE OF ASSETS:** \$ \_\_\_\_\_

**TOTAL ANNUAL INCOME EXPECTED TO BE DERIVED FROM ASSETS:** \$ \_\_\_\_\_

- B. \_\_\_\_\_ I (we) do not have any assets at this time.**

**WARNING:** Florida Statute 817 provides that willful false statements or misrepresentation concerning income and assets or liabilities relating to financial condition is a misdemeanor of the first degree and is punishable by fines and imprisonment provided under S 775.082 or 775.83.

\_\_\_\_\_  
APPLICANT

\_\_\_\_\_  
DATE

\_\_\_\_\_  
CO-APPLICANT

\_\_\_\_\_  
DATE

\_\_\_\_\_  
ADULT MEMBER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
ADULT MEMBER

\_\_\_\_\_  
DATE

### **VERIFICATION OF ASSETS DISPOSED**

I/We certify that during the two years (24 months) period preceding the effective date of my certification or recertification of eligibility for program participation, I/we \_\_\_\_\_ have \_\_\_\_\_ have not disposed of *more* than \$1,000 in asset(s) for less than fair market value.

If asset(s) were disposed of for less than fair market value, describe:

	Asset	Date of Disposition
1.		
2.		
3.		

The amount received for the asset(s) disposed:

1.  
2.  
3.

**WARNING:** Florida Statute 817 provides that willful false statements or misrepresentation concerning income and assets or liabilities relating to financial condition is a misdemeanor of the first degree and is punishable by fines and imprisonment provided under S 775.082 or 775.83.

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Co-Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Adult Member

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Adult Member

\_\_\_\_\_  
Date